

# ICPS newsletter<sup>®</sup>

## Ukraine: a missed opportunity

*The European Union's policy of rejecting Ukraine should be reviewed. Guided by the stereotypes that Ukraine does not accept democratic norms, the EU does not see the country's real political success and potential, all of which can be transformed into additional advantages for Europe. The EU should apply its experience of providing Technical Assistance to new EU member-countries for the purpose of building a democratic society to Ukraine as well. These ideas were emphasized in a report by ICPS Director Vira NANIVSKA at Yalta European Seminar (YES) dedicated to issues of the EU Partnership Policy, which took place at the Livadia Palace on 2 July 2004*

### Does Europe really need Ukraine?

Until recently, there was only one answer: no. The Europeans thought that Ukraine did not deserve much attention, being a problem area where something really bad and strange was taking place—Kolchugas disappeared, weapons exploded and arms were spread worldwide, everybody was talking about violation of human rights and freedom of speech, and there was an uncontrolled inflow of migrants. Meanwhile, the country was pestering Europe with demands to join the European Union. In this situation, the only rational way out for the EU was to build a strong border, define Ukraine's place beyond the border and forget about those bothersome demands.

### What makes this answer so popular?

This attitude is actually a consequence of EU policy in the early 90s, which was focused on returning to Europe those countries that became communist after World War II. These were the countries that had, in fact, been conceded to one of the winners in the war and thus lay on Western Europe's conscience. This concession had been made to maintain the order, to help Russia keep control over other republics in the Soviet Union. Nobody thought that Ukraine might become an independent political player.

### How has EU enlargement changed this answer?

Absolutely. The acceptance of new members into the EU altered the

geopolitical balance that had been in effect since World War II, both for the EU and for Ukraine's neighbors. The EU has become the largest and most powerful entity in Europe and one of the most influential entities in the world. The EU border has come closer to Ukraine and Russia, and new neighbors have become a new reality that is hard to miss.

A new balance between countries and unions still has to be built. Ukraine is one of the critical points in the "balance-imbalance" formula. For the first time in recent centuries, Ukraine has a neighbor larger than Russia, and the country is trying to gain independence and leave the Russia's sphere of influence by, for example, joining NATO. Ukraine is taking active efforts to indicate its shift toward the EU and the country is slowly being recognized as an independent political unit.

### What are the risks of missing a new EU policy towards Ukraine?

**Currently Ukraine looks very stable: despite a recent history of violations and confrontations, the country has not shed blood.** Ukraine has managed to maintain stability despite the lack of international technical assistance for developing democratic institutions and infrastructure. Somehow, Ukrainians have drawn on their own reserves to reach the best indicators in terms of democracy compared to many other NIS countries who also did not receive any technical assistance within the framework of acceding to the EU—and the country even has a steady economic boom. Yet, it is clear that Ukraine is not

on the EU screen the way, say, the Balkans are. Critically, Ukraine's stability is based on a policy of dynamic balance that could easily be disrupted through the actions or even inactions of the country's neighbors.

**Today Ukraine finds itself at the interstice between the two centers of power.** Russia has proved unable to curtail chaos within its own borders through democratic means and has returned to the "strong hand" approach. At the same time, it is increasing economic and political pressure on Ukraine in order to pull this country back to its orbit.

The European Union has been making demands of Ukraine in terms of developing a real market economy and democracy, but it has not offered anything constructive to develop Ukraine's capacities for further democratic transformations.

This balance could be tipped very quickly. Once Russia's pressure is not balanced by EU actions any more, it could result in serious conflicts and even wars in this multi-ethnic and multi-confessional country, as has repeatedly happened in the history of Ukraine's relations with Poland and Russia. The lion's share of the Ukrainian population will stand against integration with Russia, to the point of taking weapons into their hands. Should it come to this, instead of a zone of stability, the EU could find itself facing a conflict involving large armies along its borders.

### An undemocratic and unreformed Ukraine will be a source of trouble

- Ukraine could start to distribute nuclear technologies and materials and sell weapons to "problem" countries and groups.
- Migration from and through Ukraine could become uncontrolled.
- Ukraine could prove unable to protect its own environment because of poorly controlled and outdated technologies.

- Ukraine could become a barrier to the free movement of goods (lack of pipelines, highways and so on).
- Political instability and/or ethnic clashes could lead to the emergence of armed conflict.

## The Ukraine Europe doesn't know

**Ukraine is the democratic leader in the CIS.** "Nations in Transit," a study by Freedom House, revealed that a country's democratization index correlates directly to its status in relation to EU membership and the approach to TA taken towards it.

The first group included countries who were preparing to join the EU and who were granted the entire range of TA. The second group was countries who got on the accession track recently, after which their basic indicators have dramatically improved. The countries in the third group were not included in the accession process, did not receive TA for democratic institution-building and infrastructure development, and most have reverted to autocracy.

Ukraine belongs to the third group, the "outsiders." It has the highest indicators among countries not being considered for EU membership and is catching up with the weakest countries in the second group.

### Violations of democratic principles have emerged from two contradictory factors.

The main style of political behavior inherited by Ukraine's politicians was the old soviet style of back-room deal- and throat-cutting. Yet competing groups have been legitimized in the Verkhovna Rada majority and its opposition. A Kuchma-led coalition controls the Government and has a majority in the legislature, while opposition forces control 45% of the seats.

The Administration also controls the media and harasses businesses. The opposition engages in fisticuffs in the legislature, resorts to street protests and threatens to carry out a massive "clean-up" operation if it comes to power. Both approaches are ineffective. The Administration will not listen, and the opposition will not back up its criticisms. This makes it hard for voters to understand and to choose. A no-holds-barred competition has a

negative impact on the overarching and complicated tasks of government policy, which need broad-based coordination.

**Political competition is good for the country.** Nevertheless, even this rough but open competition among independent political forces is raising the quality of the country's politics and affects both domestic and foreign policy.

The ruling coalition has been forced to adopt winning ideas from the opposition: absolute priority of Ukraine's independence and national interests, European integration, NATO membership, and European standards of governance. It has become harder to pass odious decisions against the national interests. Competition means that politicians are more and more in the public eye. The various sides are getting used to publicly criticizing one another.

### Factors of economic revival.

The Ukrainian population is "getting" what business and market conditions mean. At the same time, a better price situation in global markets has led to an increase in external trade and investment activity in the country. Ukraine is in the midst of an active process of privatization and the prosperity of its consumers is growing. For all intents and purposes, the country is financially stable.

## What can Ukraine do for the EU?

Ukraine could become the leader in the Black Sea region. Earlier, the closest the EU got to the Sea was Greece; soon, it will have Romania and Bulgaria and it already has friendly neighbors in Turkey and Ukraine, as well as possibly Georgia. This all opens the way to the Caucasus, the Middle East and Central Asia, as well as common interests with Northern African countries.

In this group, Ukraine turns out to be one of the largest country, with a powerful scientific and technical potential. The country is rapidly gaining experience in political competition, and inter-ethnic and inter-confessional balance.

Ukraine could become the core of stability on the EU's eastern borders and a convenient traffic center between the EU, the Caucasus and Asia. Ukraine could also be an agent of EU cultural influence on Russia, the Caucasus, the Middle East and Central Asia.

## What can the EU do for Ukraine?

**The EU can provide task-oriented support for transformation.** An important component for supporting this fragile balance is helping Ukraine to develop its capacities. The country needs assistance in establishing the democratic basis of political competition which, unlike other non-accession post-soviet countries, is a reality of public life in Ukraine. Help is needed to establish institutions of day-to-day democracy in the country in order to ensure public support for change. A more modern business infrastructure also needs to be developed to make it possible to resist the economic expansion of Russia.

### The EU can apply its TA approach with other CEE countries.

The goals of technical assistance for accession countries were defined as democratic institution-building and infrastructure development for investment and business. In these countries, TA project outputs were tangible: different training programs were carried out and all kinds of manuals developed for civil servants of every government level. Each local government had to develop a strategic plan for its budget and to publish public policy papers on its strategic priorities. A mandatory list of dozens of manuals was developed, among them: The Audit Manual; Oversight of Local Government Finance; Outsourcing Municipal Services; and Public Private Partnership in Municipal Services.

Nothing like this has ever happened within any EU technical assistance projects in Ukraine. Getting the EU to provide TA that is structured the way it was for accession countries—to ensure the building of democratic institutions and the development of infrastructure—must be Ukraine's top priority. ■

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